



Item Brief

Meeting Date

February 25, 2025

Agenda Item

Discuss and consider action: Resolution No. R2025-11: D. Vaughn

A RESOLUTION BY THE CITY COUNCIL OF THE CITY OF BURNET, TEXAS, APPROVING THE EXTENSION OF THE PAYMENT DATE FOR THE PROMISSORY NOTE FOR THE SALE OF THE BEALLS PROPERTY TO THE BURNET ECONOMIC DEVELOPMENT CORPORATION

Information

On January 10, 2023, the City Council authorized the sale of the Bealls Property to the Burnet Economic Development Corporation. On January 23, 2023, the Corporation's Board of Directors approved the purchase. Pursuant to said authorization, the Mayor, on behalf of the City, and the Board President, on behalf of the Corporation, executed the transaction documents (special warranty deed, deed of trust, promissory note). The promissory note obligates the Corporation to pay the full purchase price of One Million One Hundred Fifteen Thousand and 00/100 Dollars (\$1,115,000.00) on or before January 31, 2024. Subsequently, the parties agreed to two extensions of the due date, and the note is currently due on March 31, 2025.

The Corporation has authorized payment of one-half of the principal amount of Five Hundred Fifty-Seven Thousand Five Hundred and 00/100 Dollars (\$557,500.00) and has requested an extension of the due date for payment of the balance until September 30, 2025.

Fiscal Impact

Partial payment of the principal amount will have a positive cash balance impact of \$557,500.00.

Recommendation

Staff recommends approval of Resolution No. R2025-11.

RESOLUTION NO. R2025-11

A RESOLUTION BY THE CITY COUNCIL OF THE CITY OF BURNET, TEXAS, APPROVING THE EXTENSION OF THE PAYMENT DATE FOR THE PROMISSORY NOTE FOR THE SALE OF THE BEALLS PROPERTY TO THE BURNET ECONOMIC DEVELOPMENT CORPORATION

WHEREAS, the Corporation secured the January 23, 2023, purchase of the Bealls property by promissory note in the principal amount of \$1,115,000.00 due on January 31, 2024; and

WHEREAS, the City Council has subsequently approved two extensions to the due date and the note is currently due on March 31, 2025; and

WHEREAS, the Corporation's Board of Directors has tendered payment of one-half of the principal amount (\$557,500.00) and requested an extension of the due date for payment of the balance to September 30, 2025.

NOW THEREFORE BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF BURNET, TEXAS, THAT:

Section One. Acknowledgement. Payment of one-half of the principal amount (\$557,500.00) of that certain promissory note by and between the City of Burnet, as seller, and the Burnet Economic Development Corporation, as buyer, is hereby acknowledged.

Section Two. Approval. The third amendment to the aforementioned promissory note, extending the due date for payment of the balance owed to September 30, 2025, is hereby approved.

Section Three. Authorization. The Mayor is hereby authorized to execute an instrument in substantial form as the attached amendment to the promissory note; and execute such ancillary documents, and take such actions, as may be reasonably necessary to facilitate the purpose of this resolution.

Section Four. Findings. The recitals contained in the preamble hereof are hereby found to be true, and such recitals are hereby made a part of this resolution for all purposes and are adopted as a part of the judgment and findings of the City Council.

Section Five. Open Meetings. It is hereby officially found and determined that the meeting at which this resolution was passed was open to the public and that public notice of the time, place, and purpose of said meeting was given as required by the Open Meetings Act.

Section Six. Effective Date. That this resolution shall take effect immediately upon its passage, and approval as prescribed by law.

PASSED AND APPROVED this the 25th day of February 2025.

CITY OF BURNET, TEXAS

Gary Wideman, Mayor

ATTEST:

Maria Gonzales, City Secretary